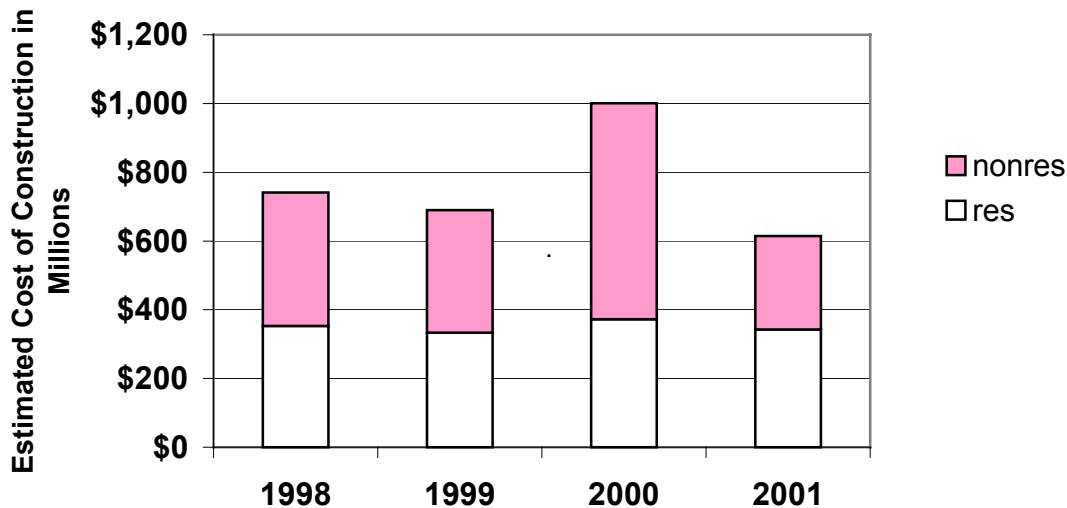


December 2001 Highlights

New Jersey localities issued building permits with a total estimated construction cost of \$614.7 million in December. Residential uses accounted for \$342.6 million (55.7 percent). Office, retail, and other nonresidential work totaled \$272.1 million; 498 municipalities reported. Construction activity typically winds down at the end of the year, reflecting the seasonal nature of the industry. But, this month's activity was a lot lower than last year, when ground broke for a new casino/hotel complex in Atlantic City, and a little lower than in past years, suggesting that the effects of the national recession may have started to reach New Jersey's construction industry. The level of activity this December was the lowest monthly total in what otherwise was a very productive year.

December Activity, Various Years



Top Performers

Holmdel had the most work in December. The Monmouth County Township issued building permits with an estimated construction cost of \$39.1 million. Most of this was for a single permit for a large, mixed-use development with office and retail space. The estimated cost to build the complex exceeded \$37 million. Other localities with high levels for the month were Egg Harbor Township in Atlantic County (\$18.1 million), Woodbridge Township in Middlesex County (\$13.5 million), and the City of Newark in Essex County (\$13.5 million). Egg Harbor had 35 new houses break ground in December, as well as a \$12.9-million addition and renovation to the local high school. Woodbridge reported several big projects, including a new 88-unit senior citizen apartment building (\$5.7 million) and a four-story parking garage (\$4.1 million). Newark issued building permits for 77 new houses, ranking third among all localities.

Year to Date

This was a strong year for New Jersey's construction industry. Although figures for the year are preliminary, as not all towns have sent in their monthly reports, it appears that, for three of the four major indicators in the *CONSTRUCTION REPORTER*, the level of activity in 2001 will top last year's strong showing. The estimated cost of construction authorized by building permits should exceed \$11.9 billion in 2001. This final figure will increase after all localities submit their monthly reports, but it is already nearly half a billion dollars, or 4.2 percent, more than last year. Office construction is up by 3.4-million square feet (22.1 percent). Housing is down by 7.9 percent compared to the Year 2000, which was the high for a period of more than ten years. New retail space increased by more than a million square feet, but declined by 9.7 percent compared to the high point reached in 1998, when ground broke for a giant, urban mega-mall in the City of Elizabeth, Union County.

New Jersey Construction Indicators: 1996-2001*				
	Estimated Construction Costs	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
1996	\$7,028,424,990	27,577	6,229,515	4,880,139
1997	\$8,346,533,144	30,017	10,409,171	5,688,955
1998	\$9,396,755,517	35,676	12,703,824	7,921,892
1999	\$10,584,167,530	37,536	13,237,891	6,229,471
2000	\$11,387,683,514	38,065	15,531,039	6,063,412
2001*	\$11,865,986,847	35,062	18,971,106	7,153,782
2000-2001*	\$478,303,333	(3,003)	3,440,067	1,090,370
Percent Change 2000-2001*	4.2%	(7.9%)	22.1%	18.0%
*Figures for 2001 are preliminary.				
Source: N.J. Department of Community Affairs, 2/7/02				

Boom Time on the Gold Coast

The big story in 2001 is the development along Jersey City's waterfront in Hudson County. Between January and December 2001, the City issued building permits for \$867 million of construction. This was 7.3 percent of all the activity in the State. If each month is considered separately, this municipality led all localities 6 of 12 times last year. In the cumulative tally, Jersey City began the year in January with the most work and never lost top billing all year. New office space and market-rate houses dominated the construction scene. The City issued building permits for 1,993 new

dwellings in 2001. Nearly 1,000 of these units came in one month (June) when the municipality issued building permits for two high-rise buildings. Jersey City had 4.1-million square feet of new office space authorized by permits in 2001. This was over one-fifth of all the new office space in the State. Almost all of this space was planned for and broke ground prior to the World Trade Center tragedy, but some of it will help meet the demand for new office space caused by this event.

Construction Indicators Top New Jersey Municipalities: 2001*					
Municipality	County	Estimated Cost of Construction (dollars)	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
Jersey City	Hudson	\$866,967,767	1,993	4,111,027	245,585
Newark	Essex	212,422,584	1,047	606,329	7,906
Hopewell Twp.	Mercer	137,656,814	52	409,311	0
Rahway City	Union	135,594,569	38	261,471	6,111
Bridgewater Twp.	Somerset	128,127,081	82	844,664	153,379
Hoboken	Hudson	126,770,013	207	191,304	0
Elizabeth	Union	124,789,259	432	5,737	3,576
Atlantic City	Atlantic	113,854,058	22	2,331	0
Dover Twp.	Ocean	113,826,183	481	99,956	261,691
South Brunswick	Middlesex	110,566,696	139	196,053	6,209
Top Municipalities		2,070,575,024	4,493	6,728,183	684,457
New Jersey		\$11,865,986,847	35,062	18,971,106	7,153,782
*Figures for 2001 are preliminary.					
Source: N.J. Department of Community Affairs, 2/7/02					

Along with Jersey City, four other cities were among the top municipalities in 2001. Newark had the second highest level of activity. New Jersey's largest city reported \$212.4 million of construction authorized by building permits. The City of Newark had 1,047 new houses this year, second only to Jersey City, and 606,329 square feet of new office space, fourth among localities. Most of the new dwellings were affordable units built as single-family houses or duplexes. Other cities with a high level of activity in 2001 were Hoboken in Hudson County (\$126.8 million), Elizabeth (\$124.8 million), and Atlantic City in Atlantic County (\$113.9 million). Hoboken had 207 authorized dwellings in 2001 and 191,304 square feet of new office space. Elizabeth had 432 authorized units (15th among localities) and also issued permits for two new hotels. In Atlantic City, casino development and new parking structures accounted for most of the work reported. The City also issued permits for two new elementary schools, each with an estimated construction cost of \$13 million.

New House Prices

A total of 4,533 new houses were completed and began enrollment in a new home warranty program between October and December 2001. The median sales price of these houses was \$260,747. This was 1.5 percent more than the median reported last quarter.

New House Prices			
Period	Number of New Houses	Median Sales Price	Percent Change in Sales Price
1996	20,903	\$183,300	
1997	21,640	\$190,000	3.7%
1998	23,884	\$209,980	10.5%
1999	24,479	\$224,496	6.9%
2000	25,058	\$231,728	3.2%
1 st Quarter 2001	4,262	\$242,900	3.0%
2 nd Quarter 2001	5,039	\$248,750	2.4%
3 rd Quarter 2001	5,497	\$256,990	3.3%
4 th Quarter 2001	4,533	\$260,747	1.5%
Source: N.J. Department of Community Affairs, 2/19/02			